

## **EAST AYRSHIRE COUNCIL**

### **CORPORATE SUB-COMMITTEE OF THE POLICY AND RESOURCES COMMITTEE – 11<sup>TH</sup> FEBRUARY 2003**

#### **EMPLOYEE CONTRIBUTIONS TO CHARITY**

##### **Report by the Head of Personnel**

### **1. PURPOSE**

- 1.1 The purpose of this report is to recommend that the Council promote its existing payroll facility which allows employees to contribute to charities of their choice and to ask the Sub-Committee to agree that the Council should work in partnership with the organisation Caring Together and Charity Direct to promote the facility.

### **2. BACKGROUND**

- 2.1 Scottish Councils have always facilitated direct payroll deductions for employees to make donations to charities of their choice. The arrangement was popular prior to Local Government reorganisation but has seen a significant decline in recent years. Reasons may include the lack of publicity and career changes which see employees' payroll records change.
- 2.2 A record £71.7 million was donated to charities through payroll giving in the financial year 2001/02, increasing from £30.8 million at 1999/2000. However, just 2% of the UK workforce currently participate.
- 2.3 Payroll giving is a simple and tax effective way for employees, to give to the charity of their choice from their pay. Deductions are made from gross salary and, not only does the charity benefit from the tax relief on the donation but the Government will add 10% to all payroll giving donations until April 2003. The Government is currently considering extending this commitment.
- 2.4 Payroll giving schemes are neither complicated nor expensive to run for organisations. Most of the administration involved is done for employers by Inland Revenue-approved payroll giving agencies, who charge no fees to the employer or to charity. The organisation Charity Direct does most of this work in Scotland and is the main agency used by Scottish Councils.

### **3. PROPOSED ARRANGEMENTS**

- 3.1 In Scotland, promotion of payroll giving to charities is being achieved in a partnership between Councils and Caring Together, a professional fundraising organisation, who will work with employers to promote their payroll giving scheme to employees – there are no charges to the employer for this service. As an example, over £150,000 is being raised annually through payroll giving for charities, including Childline, Quarriers

Homes, SSPCA. Contributions include employees at Glasgow City Council, North Ayrshire Council and Inverclyde Council. West Dunbartonshire Council is also about to launch their scheme.

- 3.2 Caring Together visit companies on behalf of a wide range of charities promoting payroll giving. Their presence is unobtrusive and visits are timed to ensure the minimum of disruption. Short presentations are made to groups of staff and it is emphasised that participation is voluntary.
- 3.3 The Head of Personnel has advised Caring Together of the various payroll locations and types in East Ayrshire (over 100) and it is recognised that workplace visits and promotional work will be an ongoing task. Caring Together would prefer that they visit office-based staff in situ and speak to groups for no more than 10 minutes. Peripatetic staff e.g. Craftworkers, Roads, Grounds Maintenance will be visited at the beginning of a working day or a time suited to operational arrangements. Information and application forms would then be left for staff to complete.
- 3.4 Caring Together have provided references from the Councils mentioned above which confirm that their input is not disruptive and is designed to meet the preference of the individual Line Manger at the relevant workplace. Their advice is that their input is generally well received although it is helpful to have a commitment from the organisation's senior management team welcoming them to the organisation. The Council's Senior Management Team have considered and approved the recommendations in this report.
- 3.5 The Head of Personnel has consulted the Payments Manager who confirms that the proposed arrangements are consistent with those already in place to forward monies deducted from pay to charities and other external organisations. It is recognised that there may be an initial increase in administration to set up individual payroll deductions but this will be managed within existing time and resources.

#### **4. TRADE UNIONS**

- 4.1 The Trade Unions have been consulted and agree to the proposals contained in this report.

#### **5. FINANCE**

- 5.1 The anticipated increase in administration of employees' contributions to charities will be contained within existing time and resources.

#### **6. POLICY IMPLICATIONS**

- 6.1 The proposed strengthening of the Council's arrangements for employee contributions to charities will enhance its existing range of employment policies.

## **7. RECOMMENDATIONS**

7.1 The Senior Staff Management Team is asked to:-

- (i) agree that the Council promote its existing payroll facility which allows employees to contribute to Charities of their choice; and
- (ii) further agree that the Council should work in partnership with Caring Together to publicise payroll giving to charities and with Charity Direct to administer contributions.

Graham Haugh  
**Head of Personnel**

27th January 2003

GH/RRS

### **LIST OF BACKGROUND PAPERS**

**Nil**

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